

# **Maine Center for Disease Control and Prevention WIC Nutrition Program**

Effective: October 1, 2012

Policy No. CE-2

Revised: August 1, 2014

## **Income Eligibility Determination and Documentation**

### **Authority**

7 CFR §246.7;

22 MRSA §255 and §1951;

10-44 CMR Chapter 286, §II.F

USDA FNS *WIC Income Eligibility* Webinar, Spring 2014

### **Policy**

1. All Local Agencies shall adhere to income eligibility guidelines for all persons applying for benefits from the Maine CDC WIC Nutrition Program.

### **Procedure**

1. Income Limits for Eligibility: The State Agency gross income limit for income eligibility is one hundred eight-five percent (185%) of the federal poverty income guidelines, with no Local Agency exceptions (see Appendix CE-A2).
  - 1.1. On or before July 1 each year, the State Agency will announce and transmit revisions of the income guidelines based on family size to the Local Agencies.
  - 1.2. The Local Agency shall implement revised guidelines as directed by the State Agency (no later than July 1 of each year for which such guidelines are issued by the Food and Nutrition Service of USDA).
2. Income is defined to include the following:
  - 2.1 Monetary compensation for services, including wages, salaries, commissions or fees. (Wages [salaries] means gross income before deductions for income taxes, employee's social security taxes, insurance premiums, bonds, etc.)
  - 2.2 Net income from farm/non-farm self-employment
  - 2.3 Social security income
  - 2.4 Dividends or interest on savings or bonds, income from estates or trusts, net rental income, or withdrawals from cash settlements

- 2.5 Public assistance or welfare payments
- 2.6 Unemployment compensation
- 2.7 Retirement or pension payments to government civilian or military employees, or veterans' payments
- 2.8 Earned income from temporary Census employment
- 2.9 Private pensions or annuities
- 2.10 Actual alimony or child support payments received
- 2.11 Regular contributions from persons not living in the household
- 2.12 Net royalties
- 2.13 Payments proceeding from gambling, gaming, lottery, and bingo
- 2.14 Student financial assistance, such as grants and scholarships used to pay for room and board or dependent care. (Exception: the following grants and scholarships are *excluded*: Pell Grants, State Student Incentive Grants, and National Direct Student Loans.)
- 2.15 Lump sum payments are income that represents "new money" intended for income such as: gifts, inheritance, lottery winnings, workers' compensation for lost wages, severance pay, insurance payments for "pain and suffering" and bonuses.
  - 2.15.1 Lump sum payments that represent reimbursements for lost assets or injuries are ***not*** counted as income. Examples include: amounts received from insurance companies for loss or damage of personal property, such as home or auto; and payments that are intended for a third party to pay for a specific expense incurred by a household, such as a payment of medical bills resulting from an accident or injury.
- 2.16 Other cash income including, but not limited to, cash amounts received or withdrawn from any source including savings, investments, trust accounts and other resources which are readily available to the family.
- 3. Both the family's income over the past 12 months and the family's current rate of income shall be considered. The Local Agency staff shall determine which indicator more accurately reflects the family's current status.
- 4. Income Exclusions as outlined by 7 CFR §246.7(d)(2)(iv) include but are not limited to:

- 4.1 Basic allowance for housing received by military services personnel residing off military installations or in privatized housing, whether on- or off-base
- 4.2 Cost-of-living allowance provided under 37 USC §405, to a member of a uniformed service who is on duty outside the contiguous states of the United States
- 4.3 The value of in-kind housing and other in-kind benefits.
- 4.4 Loans, not including amounts to which the applicant has constant or unlimited access
- 4.5 Payments or benefits provided under certain federal programs or acts including, but not limited to:
  - 4.5.1 Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, sec 216, 42 U.S.C. 4636)
  - 4.5.2 Income received by volunteers for services performed under the Small Business Act §8(b) (1) (B) (SCORE and ACE)(Pub. L. 95-510, sec. 101, 15 U.S.C. 637 (b)(1)(D) or under Title I of the Domestic Volunteer Service Act of 1973 (includes VISTA, RSVP, Senior Companions Program, and the Foster Grandparents Program)
  - 4.5.3 Income derived from certain sub-marginal land of the United States which is held in trust for certain Indian tribes (Pub. L. 94-114, sec. 6, 25 U.S.C. 459e)
  - 4.5.4 Payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980
  - 4.5.5 Payments received under the Job Training Partnership Act (Pub. L. 97-300, sec. 142(b), 29 U.S.C. 1552(b)) (includes Summer Youth Employment and Training, Dislocated Worker Program, Programs for Native Americans, Migrant and Seasonal Farm Workers Program, Veterans Employment Programs and Job Corps)
  - 4.5.6 The value of assistance to children or their families under the National School Lunch Act of 1966, the Child Nutrition Act of 1966, or the Food Stamp Act of 1977 (includes School Breakfast Program, Special Milk Program, Summer Food Service Program, Child and Adult Care Food Program and Food Distribution Program on Indian Reservations [FDPIR])
  - 4.5.7 Payments under the Low-Income Home Energy Assistance Act, as amended
  - 4.5.8 Financial assistance received by a student from any program funded under Title IV of the Higher Education Act of 1965 (includes Pell Grants, Supplemental Education Opportunity Grants, College Work-Study, Perkins Loans, Stafford Loans, US Loans, Supplemental Loans for Students)
  - 4.5.9 Payments under the Disaster Relief Act of 1974, as amended by the Disaster Relief and Emergency Assistance Amendments of 1989

- 4.5.10 Payments received under the Carl D. Perkins Vocational Education Act, as amended by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990
- 4.5.11 Payments pursuant to the Agent Orange Compensation Exclusion Act
- 4.5.12 Payments received for Wartime Relocation of Civilians under the Civil Liberties Act of 1988
- 4.5.13 Value of any child care payments made under section 402 (g)(1)(E) of the Social Security Act, as amended by the Family Support Act (known in Maine as the ASPIRE Child Care Program)
- 4.5.14 Value of any “at-risk” block grant child care payments made under section 5081 of Pub. L. 101-508, the Child Care and Development Block Grant Program, amending section 401(i) of the Social Security Act
- 4.5.15 Mandatory salary reduction amount for military service personnel which is used to fund the Veterans Educational Assistance Act of 1984 (GI Bill), as amended
- 4.5.16 Payments received under the Old Age Assistance Claims Settlement Act, except for per capita shares in excess of \$2,000
- 4.5.17 Payments received under the Cranston-Gonzales National Affordable Housing Act, unless income of the family equals or exceeds 80 percent of the median income of the area
- 4.5.18 Payments received under the Housing and Community Development Act of 1987, unless the income of the family increases at any time to not less than 50 percent of the median income of the area
- 4.5.19 Payments received under the Judgment Award Authorization Act, as amended
- 4.5.20 Payments received by members of the Armed Forces and their families under the Family Supplemental Subsistence Allowance (SSA) from the Department of Defense
- 4.5.21 Payments received by property-owners under the National Flood Insurance Program
- 4.5.22 Combat pay for military service members if it is:
  - 4.5.22.1 Received in addition to the service member’s basic pay;
  - 4.5.22.2 Received as a result of the service member’s deployment to or service in an area that has been designated as a combat zone; and
  - 4.5.22.3 Not received by the service member prior to his/her deployment to or service in the designated combat zone
- 4.5.23 One time cash payment from the Filipino Veterans Equity Compensation Fund
- 4.5.24 One-time cash payment from the Governor Baxter School for the Deaf Compensation Authority, including any accrued interest

5. WIC regulations do ***not*** permit household gross income to be reduced for hardships, high medical bills, child care payments, taxes, child support, alimony, insurance, or other deductions.
6. A lump sum payment (see Procedure 2.15 above) may be counted as annual income or may be divided by 12 to estimate a monthly income, whichever is most applicable.
7. The SPIRIT System will calculate annual income. In the event current annual income must be computed manually the following formulas will be used:
  - 7.1 Weekly gross pay x 52
  - 7.2 Twice a month gross pay x 24
  - 7.3 Every two weeks gross pay x 26
  - 7.4 Annual gross income is divided by 12 to calculate monthly income
8. Net income, rather than gross income, is determined by subtracting the self-employed individual's operating expenses from his/her receipts. Net income will only be used in the following situations:
  - 8.1 Net royalties
  - 8.2 Net rental income
  - 8.3 For self-employed individuals, net income (farm or non-farm)
9. Using Current vs. Annual Income: Local Agency staff will consider the income of the household during the prior tax year or the family's current rate of income, whichever one more accurately reflects the family's status. Exceptions to this provision are:
  - 9.1 Unemployed persons (including laid-off workers): Persons from families with adult members who are unemployed are eligible based on income during the period of unemployment if the loss of income causes the current rate of income to be less than the State Agency's income guidelines for eligibility. (See Appendix CE-A2)
  - 9.2 Migrant farm workers and their families with expired VOC documentation are considered income eligible, provided that their income is determined once every 12 months. To determine the migrant family's income, the Local Agency shall consider their income during the previous tax year.
10. Overtime Pay: If the current income includes overtime or commissions which the applicant claims are not generally received, the applicant must present check stubs from the previous pay period to be averaged with the current income.
  - 10.1 For example, an applicant is paid every week and brings four pay vouchers to WIC for the month of December. Each pay voucher shows:

10.1.1 Basic pay for 40 hours = \$360.00

10.1.2 Overtime pay for 20 hours = \$180.00

10.1.3 Total gross pay for week including overtime = \$540.00

10.1.4 The applicant claims she usually works 40 hours a week. November pay vouchers show a gross income of \$360.00 a week. Weekly gross income may be calculated as follows:  $(\$540 + \$360) / 2 = \$450/\text{week}$ .

11. Temporary low income means income that is below a family's normal level due to infrequency or irregularity of employment.

11.1 This definition applies to families with individuals who are employed but not currently receiving income. These individuals can include, but are not limited to, construction workers, seasonal agricultural workers such as farmers, self-employed persons, strikers, teachers, and persons on extended unpaid leave due to childbirth or illness.

11.2 In the case of temporary low income, income must be based on the family's average income for the last 12 months as compared to WIC income guidelines. (See Appendix CE-A2)

12. Adjunct or automatic income eligibility- Families with TANF, SNAP participants and MaineCare Recipients- Individuals who participate in SNAP, who are members of families receiving assistance under the TANF Program, who receive MaineCare, or who are members of families that include a pregnant woman or infant receiving MaineCare (or presumptively eligible for MaineCare) are considered adjunctively income eligible for the Maine CDC WIC Nutrition Program. Adjunctive eligibility must be verified and entered for each family member in the WIC SPIRIT application.

12.1 Persons who are adjunctively income eligible shall remain income-eligible as long as they receive TANF, SNAP benefits and/or MaineCare. Poverty Level Requirements as a percent of poverty are as follows:

| Program                                       | Poverty Level |
|---|---------------|
| TANF  | 83%           |
| SNAP  | 130%          |
| MaineCare- Pregnant women and infants         | 200%          |
| MaineCare- Children                           | 150%          |
| MaineCare- SCHIP-eligible                     | 200%          |
| MaineCare- Other categorically eligible women | 200%          |

12.2 Adjunctive income-eligibility must be documented by a notice or verification of eligibility showing that the individual:

- 12.2.1 Receives benefits from SNAP, MaineCare, or TANF during the current month; or
  - 12.2.2 Is determined presumptively eligible for either TANF or MaineCare (pending completion of that program's eligibility process); or
  - 12.2.3 Is a member of a household containing a TANF recipient or a pregnant woman or infant currently on MaineCare.
- 12.3 Acceptable documentation of adjunctive income-eligibility includes the following:
- 12.3.1 MaineCare letter showing current eligibility dates
  - 12.3.2 TANF letter showing current eligibility dates
  - 12.3.3 Local Agency Staff may verify current MaineCare eligibility via phone or website
  - 12.3.4 SNAP documents showing current certification dates including EBT activity printout with current dates. Note: An EBT card does not show valid dates and is not acceptable proof of current adjunctive eligibility for WIC.
- 12.4 Local Agency staff must record what document was seen as proof of adjunctive eligibility in the participant electronic record.
- 12.5 For adjunctively eligible participants, a self-declaration of total household income for demographic data collection purposes must be entered in the income contact of the participant electronic record.
13. When calculating Family/Economic Unit Size, an individual does not have to receive cash to be part of the economic unit of others, since it is the pooling of income or sharing of the goods and services that creates an economic unit. Conversely, it is possible for two separate economic units to reside under the same roof, although the determination of such may not be a clear-cut process .
- 13.1 Local Agency WIC staff shall assess the degree of economic independence of the minor or applicant who is living in another's household, and the applicant's status as a separate economic unit.
  - 13.2 The following guidelines from *Best Practices: WIC Program Guide for Documentation of Income, Residency and Identity* and *WIC Income Eligibility Webinar* may be used when determining degree of economic independence:

| <b>Questions to Ask to Determine Separate Household</b>                                       | <b>Household Size</b>  |
|---|--|
| Does the household provide free food, clothing, shelter, etc. with no expectation of payment? | If Yes – applicant is not counted as a separate household – include in the household size<br>If No – count as a separate household |
| Does the applicant pay the household for living in their home?                                | If Yes – count as a separate household<br>If No – include in the household size  |
| Does the applicant share income and expenses with other people in the household?              | If Yes – include in the household size<br>If No – count as a separate household  |
| Can the applicant provide current proof of eligibility for Food Stamps, Medicaid or TANF?     | If Yes – count as a separate household   |
| Can the applicant verify her status as an emancipated minor ( as determined by the Court)?    | If Yes – may be an indicator of a separate household, if the applicant has her own source of income                                |

14. When an unmarried couple lives together as one economic unit, use the income of both parties and count both in the household size.
15. A child is counted in the household size of the parent or guardian with whom he/she lives.
16. In joint custody cases, the child is counted as part of both the mother's and father's households when determining the WIC household size for each parent. WIC staff must decide which household will be used to determine income eligibility (the child cannot receive dual benefits).
17. A child residing in a school or an institution, who is being supported by the parent, guardian or caretaker, is counted in the household size of the parent, guardian, or caretaker.
18. A foster child living with a family but remaining the legal responsibility of welfare or another agency is considered to be a household of one. The payments made by the agency on behalf of the child are considered to be the income of that child.
19. An adopted child or a child for whom the family has accepted the legal responsibility is counted in the household in which he/she resides.
20. Families with Unemployed/Striking Members- Members of families whose wage earner(s) are unemployed or striking are income eligible during the period of unemployment if their current rate of income falls within Maine CDC WIC Program guidelines (e.g., unemployment benefits plus other family income). (See Appendix CE-A2)
  - 20.1 When the unemployed family member becomes employed, the Local Agency must re-determine income eligibility using the best indicator of income.

- 20.2 Families who have members on strike for at least two weeks are income eligible while the member is on strike if the loss of income causes the average income for the past 12 months to be less than program limits. When the strike is over, the Local Agency must re-determine income using the best indicator of income.
- 21 Net income for families with self-employed individuals is determined from the previous year's federal tax return or from business or farm records.
  - 21.1 The line for "business income or loss" for business self-employment and the line for "farm income or loss" for farm self-employment on tax return Schedule C and 1040-S is used to document income.
  - 21.2 For families with both self-employed and employed members, the federal tax return for the prior year is used to document income, provided the business has been in operation for more than two years.
  - 21.3 For a new business, the applicant completes a *Self Employment Profit/Loss Statement* (see Appendix CE-A3). Another source such as those listed in the table in item 24 below is used for employed family members.
- 22 Military personnel who are deployed overseas or assigned to a military base and are not living with their families are considered part of the economic unit.
  - 22.1 The Maine CDC WIC Program excludes Basic Allowance for Housing (BAH) when calculating income.
  - 22.2 The Leave and Earnings Statement (LES) is used to determine rank and years of service.
  - 22.3 Income is determined from the Military Monthly Basic Pay Table. This table can be viewed or downloaded from the following Web Site:  
<http://militarypay.defense.gov/PAY/BASIC/ACTIVEDUTY.ASPX> or can be obtained from the State WIC Office.
  - 22.4 Income sources include the following:
    - 22.4.1 Base pay
    - 22.4.2 Basic Allowance for Subsistence (BAS)
    - 22.4.3 Family Separation Allowance (FSA)
    - 22.4.4 Reenlistment Bonus (SRB)
    - 22.4.5 Hostile Fire/Imminent Danger Pay (HFP)
    - 22.4.6 Career Enlisted Flyer Incentive Pay (CEFIP)
    - 22.4.7 Career Sea Pay
    - 22.4.8 Cost of Living Allowance (COLA)
    - 22.4.9 Hardship Duty Pay

- 22.4.10 Foreign Language Proficiency Pay (FLPP)
- 22.4.11 Special Duty Assignment Pay (SDAP)
- 22.4.12 Veteran's Educational Assistance Program (GI Bill)
- 22.4.13 Military Survivor Benefits Plan (SBP)
- 22.4.14 Clothing (Divide the yearly clothing allowance by 12 to get a monthly rate)
- 22.4.15 Any incentive pay such as aviation career, foreign duty, hazardous duty or family separation pay
- 22.4.16 All other income from other family members (e.g. working spouse)
- 22.5 If both parents are deployed overseas or temporarily assigned to a base and children are temporarily left in another person(s) care, there are 3 options to determine income. These options may also be used if one parent and children temporarily move in with friends or relatives:
  - 22.5.1 Count the absent parents and their children as the economic unit when total gross income of the family can be determined.
  - 22.5.2 Count the children only as the economic unit. When the parents have designated a portion of their pay as the children's allotment and this allotment amount is adequate, in the Local Agency staff person's opinion, to meet the children's needs.
  - 22.5.3 Count the children and the person(s) they are living with as the economic unit when the two options above are not applicable.
- 22.6 If military family members are deployed overseas or to another base, a Leave and Earnings Statement (LES) may not be available at the time of certification.
  - 22.6.1 If all military pay is directly deposited into a joint account, a bank statement may be used as income documentation. If spouse and/or child allotments only are deposited, then self-declaration of gross income with follow-up documentation provided within 2 months is allowed.
- 23 A pregnant woman who is not eligible for participation in the program (over-income) using traditional income eligibility determination, shall be considered to have satisfied the income guidelines if the guidelines would be met by increasing the number of individuals in her family by the number of embryos or fetuses in utero.
  - 23.1 Medical documentation must be obtained in the case of multiple fetuses.
  - 23.2 This same increased family size may be used for any of the pregnant woman's categorically-eligible family members.
  - 23.3 If increasing a pregnant woman's family size based on members in utero conflicts with cultural, personal, or religious beliefs, the applicant may waive the increase

in family size; however, she would be deemed ineligible due to being over-income.

- 24 The applicant must provide proof of income at certification and recertification. The Local Agency must indicate which document was used to determine income eligibility in the participant electronic record.
- 25 The following are examples of documents that can be used to verify income:

|  |  |
|--|--|
| Pay stub   | Employer's wage record                   |
| Employee's W-2 form  | Wage/hour records                        |
| Wage tax receipts  | Statement from employer                  |
| Income tax return (state and/or federal, not acceptable for military families) | Statement from employment service office |
| Self-employment book-keeping records   | Statement from occupation tax agency     |
| Leave and Earnings Statement (for military families)                           | Statement from local wage tax agency     |
| Employer's records of attached wages   | Statement from State Income Tax Bureau   |
| Wage match with SESA or SSA  |  |

- 26 In cases where applicants state that they have no income, the Local Agency must ask how applicants pay for necessities (e.g. food, clothing, housing, medical care) and record information on the certification signature page in the family record.
- 26.1 Referrals for SNAP benefits, MaineCare, and follow-up for referrals must be documented in the participant's electronic record.
- 26.2 The applicant must provide a written statement from a reliable third party that has knowledge of the applicant's circumstances that the applicant has no income.
- 27 Reliable third parties include staff of a social service agency, church, relief organization, legal aid society, school counselor or nurse.
- 28 The written statement must be signed and dated by the third-party, and include a phone number and title.
- 29 Employees of the Maine CDC WIC Nutrition Program, individuals related to the applicant, and members of the applicant's economic unit cannot be the third-party that verifies there is no income.
- 30 The Local Agency may temporarily certify applicants who do not bring necessary income documentation to their appointment; self-declaration of income may be accepted, and up to 30 days of food benefits may be provided.
- 30.1 The client must provide the appropriate income documentation within 30 days. If documentation is provided within 30 days and the applicant is found to be

eligible, the certification period begins with the month benefits were initially provided.

- 30.2 If the applicant fails to provide documentation within 30 days, or provides documentation and is found to be over income, the individual shall be determined ineligible.
- 31 These cases shall be treated as initial determinations. The applicant must be given an opportunity to appeal the action, but the Maine CDC WIC Nutrition Program is not required to provide 15-day advance notice of this action.
- 32 Individuals who are appealing the initial determination may not receive WIC benefits while awaiting a fair hearing decision.